

House of Representatives, March 26, 1998. The Committee on Insurance and Real Estate reported through REP. AMANN, 118th DIST., Chairman of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING CONTRACTS AFFECTING HEIRS OR ASSIGNS OF LICENSED INSURANCE AGENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 38a-711 of the general statutes is  
2 repealed and the following is substituted in lieu  
3 thereof:

4 No insurance company or producer shall pay,  
5 directly or indirectly, any commission or other  
6 valuable consideration to any person, partnership  
7 or corporation for services performed within this  
8 state as an insurance producer unless such person,  
9 partnership or corporation holds a license to act  
10 as an insurance producer in this state, provided  
11 the provisions of this section shall not prevent  
12 the payment of renewal or other deferred  
13 commissions to formerly licensed insurance agents,  
14 brokers or producers OR THE HEIRS OR ASSIGNS OF  
15 SUCH AGENTS, BROKERS OR PRODUCERS, nor shall this  
16 section apply to persons acting as executive  
17 officers or traveling salaried employees of an  
18 insurance company authorized to transact business  
19 in this state. Any person, partnership or  
20 corporation which violates any provision of this  
21 section shall be fined not more than five hundred  
22 dollars.

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File No. 158

23 INS COMMITTEE VOTE: YEA 18 NAY 0 JF

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

\* \* \* \* \*

**FISCAL IMPACT STATEMENT - BILL NUMBER HB 5462**

STATE IMPACT                      None, see explanation below

MUNICIPAL IMPACT                None

STATE AGENCY(S)                Department of Insurance

**EXPLANATION OF ESTIMATES:**

The bill allows the heirs or assigns of formerly licensed producers, agents and brokers to receive renewals or deferred commissions.

The bill has no impact on the workload of the Department of Insurance.

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**OLR BILL ANALYSIS**

HB 5462

**AN ACT CONCERNING CONTRACTS AFFECTING HEIRS OR ASSIGNS OF LICENSED INSURANCE AGENTS**

**SUMMARY:** This bill expands an exception to the licensing requirement for insurance producers. By law, no unlicensed person, other than ones formerly licensed as insurance producers, agents or brokers, can receive renewal or deferred commissions. This bill allows the heirs or assigns of formerly licensed producers, agents, and brokers also to receive them.

EEFFECTIVE DATE: October 1, 1998

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Report

Yea 18      Nay 0